

CHAPTER 158

HEALTH AND ENVIRONMENT

HOUSE BILL 18-1282

BY REPRESENTATIVE(S) Lontine and Sias, Buckner, Coleman, Esgar, Ginal, Hamner, Herod, Hooton, Jackson, Kennedy, Lawrence, Lee, Melton, Michaelson Jenet, Pettersen, Roberts, Rosenthal, Singer, Valdez, Weissman, Winter, Young, Duran; also SENATOR(S) Smallwood and Kefalas, Court, Crowder, Donovan, Jones, Kagan, Kerr, Martinez Humenik, Merrifield, Tate, Todd, Williams A., Zenzinger.

AN ACT**CONCERNING A REQUIREMENT THAT A HEALTH CARE PROVIDER INCLUDE CERTAIN IDENTIFYING INFORMATION ON ALL CLAIMS FOR REIMBURSEMENT FOR HEALTH CARE SERVICES.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

- (a) Health care spending accounts for over 17% of the United States economy;
- (b) Health care costs in Colorado continue to increase, and spending on health care is growing faster than the economy as a whole;
- (c) More accountability for and transparency in health care system costs is needed so that consumers can make better health care decisions and policymakers can find ways to address rising health care costs;
- (d) In Colorado, 39 cents of every dollar spent on health care is for hospital care;
- (e) Hospitals and other organization health care providers have expanded to create a number of off-campus or separate physical locations for delivering health care ("off-campus locations"), which include freestanding emergency departments. In 2014, there were 15 freestanding emergency departments in operation in Colorado, and, as of 2018, there are 50 freestanding emergency departments operating in Colorado.
- (f) When consumers seek nonemergency care for common conditions at

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

freestanding emergency departments, delivery of that level of care in that setting can increase costs in the overall health care system;

(g) Coloradans deserve to have information about the costs associated with seeking services at off-campus locations, including freestanding emergency departments;

(h) In many cases, off-campus locations share the same identifier for billing purposes as their affiliated hospital or organization health care provider, and because the costs associated with care delivered at off-campus locations are not transparent, it may be impossible for consumers to understand the basis for charges and for policymakers to evaluate the effects of these costs on overall system costs;

(i) Under federal regulations, an organization health care provider that has separate physical locations, referred to as "subparts" of the organization provider, may obtain a unique identifier for each subpart, which facilitates identifying the types of health care services and the location where the services are provided; and

(j) It is therefore the intent of the General Assembly, through the passage of this act, to require each off-campus location of a hospital and each subpart of an organization health care provider to have a unique identification number so that the costs associated with those facilities are transparent and accountable.

SECTION 2. In Colorado Revised Statutes, **add** 25-3-118 as follows:

25-3-118. Hospital off-campus location - obtain and use unique NPI - definitions. (1) AN OFF-CAMPUS LOCATION OF A HOSPITAL MUST APPLY FOR, OBTAIN, AND USE ON ALL CLAIMS FOR REIMBURSEMENT OR PAYMENT FOR HEALTH CARE SERVICES PROVIDED AT THE OFF-CAMPUS LOCATION SUBMITTED ON OR AFTER JANUARY 1, 2020, A UNIQUE NPI THAT IS SEPARATE AND DISTINCT FROM THE HOSPITAL'S NPI. THE OFF-CAMPUS LOCATION'S UNIQUE NPI MUST BE INCLUDED ON ANY CLAIM FOR REIMBURSEMENT OR PAYMENT FOR HEALTH CARE SERVICES PROVIDED AT THE OFF-CAMPUS LOCATION, REGARDLESS OF WHETHER THE CLAIM IS FILED OR SUBMITTED BY OR THROUGH A CENTRAL OFFICE OF THE HOSPITAL OR A HEALTH CARE CLEARINGHOUSE.

(2) AS USED IN THIS SECTION:

(a) "HEALTH CARE CLEARINGHOUSE" HAS THE SAME MEANING AS SET FORTH IN 45 CFR 160.103.

(b) "NPI" OR "NATIONAL PROVIDER IDENTIFIER" MEANS THE STANDARD, UNIQUE HEALTH IDENTIFIER FOR HEALTH CARE PROVIDERS THAT IS ISSUED BY THE NATIONAL PROVIDER SYSTEM IN ACCORDANCE WITH 45 CFR PART 162.

(c) "OFF-CAMPUS LOCATION" MEANS A FACILITY:

(I) WHOSE OPERATIONS ARE DIRECTLY OR INDIRECTLY OWNED OR CONTROLLED BY, IN WHOLE OR IN PART, OR AFFILIATED WITH A HOSPITAL, REGARDLESS OF WHETHER THE OPERATIONS ARE UNDER THE SAME GOVERNING BODY AS THE HOSPITAL;

(II) THAT IS LOCATED MORE THAN TWO HUNDRED FIFTY YARDS FROM THE HOSPITAL'S MAIN CAMPUS;

(III) THAT PROVIDES SERVICES THAT ARE ORGANIZATIONALLY AND FUNCTIONALLY INTEGRATED WITH THE HOSPITAL; AND

(IV) THAT IS AN OUTPATIENT FACILITY PROVIDING PREVENTIVE, DIAGNOSTIC, TREATMENT, OR EMERGENCY SERVICES.

SECTION 3. In Colorado Revised Statutes, **add 25.5-4-420** as follows:

25.5-4-420. Providers to obtain unique NPI - service site - provider type - definitions. (1) AS USED IN THIS SECTION:

(a) "HEALTH CARE CLEARINGHOUSE" HAS THE SAME MEANING AS SET FORTH IN 45 CFR 160.103.

(b) "NPI" OR "NATIONAL PROVIDER IDENTIFIER" MEANS THE STANDARD, UNIQUE HEALTH IDENTIFIER FOR HEALTH CARE PROVIDERS THAT IS ISSUED BY THE NATIONAL PROVIDER SYSTEM IN ACCORDANCE WITH 45 CFR PART 162.

(c) "OFF-CAMPUS LOCATION" MEANS A FACILITY:

(I) WHOSE OPERATIONS ARE DIRECTLY OR INDIRECTLY OWNED OR CONTROLLED BY, IN WHOLE OR IN PART, OR AFFILIATED WITH A HOSPITAL, REGARDLESS OF WHETHER THE OPERATIONS ARE UNDER THE SAME GOVERNING BODY AS THE HOSPITAL;

(II) THAT IS LOCATED MORE THAN TWO HUNDRED FIFTY YARDS FROM THE HOSPITAL'S MAIN CAMPUS;

(III) THAT PROVIDES SERVICES THAT ARE ORGANIZATIONALLY AND FUNCTIONALLY INTEGRATED WITH THE HOSPITAL; AND

(IV) THAT IS AN OUTPATIENT FACILITY PROVIDING PREVENTIVE, DIAGNOSTIC, TREATMENT, OR EMERGENCY SERVICES.

(d) "ORGANIZATION HEALTH CARE PROVIDER" MEANS A PROVIDER THAT IS NOT AN INDIVIDUAL AND INCLUDES A HOSPITAL.

(e) "SUBPART" HAS THE SAME MEANING AS THAT TERM IS USED IN 45 CFR PART 162 AND MEANS A COMPONENT OR SEPARATE PHYSICAL LOCATION OF AN ORGANIZATION HEALTH CARE PROVIDER THAT MAY BE SEPARATELY LICENSED OR CERTIFIED BY THE STATE.

(2)(a) EACH ORGANIZATION HEALTH CARE PROVIDER AND EACH SUBPART THAT IS REQUIRED OR ELIGIBLE TO OBTAIN AN NPI PURSUANT TO 45 CFR 162.410 MUST APPLY FOR, OBTAIN, AND USE ON ALL CLAIMS FOR PAYMENT FOR MEDICAL CARE, SERVICES, OR GOODS AUTHORIZED UNDER THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5 A UNIQUE NPI FOR EACH SITE AT WHICH THE ORGANIZATION HEALTH CARE PROVIDER OR ITS SUBPARTS DELIVER MEDICAL CARE, SERVICES, OR GOODS.

(b) EACH ORGANIZATION HEALTH CARE PROVIDER AND EACH SUBPART THAT IS REQUIRED OR ELIGIBLE TO OBTAIN AN NPI PURSUANT TO 45 CFR 162.410 MUST APPLY FOR, OBTAIN, AND USE ON ALL CLAIMS FOR PAYMENT FOR MEDICAL CARE, SERVICES, OR GOODS AUTHORIZED UNDER THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5 A UNIQUE NPI FOR EACH PROVIDER TYPE, AS SPECIFIED BY THE STATE DEPARTMENT, UNDER WHICH THE ORGANIZATION HEALTH CARE PROVIDER OR ITS SUBPARTS DELIVER MEDICAL CARE, SERVICES, OR GOODS.

(c) AN ORGANIZATION HEALTH CARE PROVIDER OR SUBPART SUBMITTING A CLAIM FOR PAYMENT FOR MEDICAL CARE, SERVICES, OR GOODS RENDERED UNDER THIS ARTICLE 4 OR ARTICLE 5 OR 6 OF THIS TITLE 25.5 SHALL INCLUDE ON THE CLAIM THE UNIQUE NPI THAT IDENTIFIES BOTH THE SITE WHERE THE MEDICAL CARE, SERVICES, OR GOODS WERE PROVIDED AND THE PROVIDER TYPE, AS SPECIFIED BY THE STATE DEPARTMENT, REGARDLESS OF WHETHER THE CLAIM IS FILED OR SUBMITTED BY OR THROUGH A CENTRAL OFFICE OF THE ORGANIZATION HEALTH CARE PROVIDER OR A HEALTH CARE CLEARINGHOUSE.

(3) (a) FOR AN ORGANIZATION HEALTH CARE PROVIDER THAT IS A LICENSED OR CERTIFIED HOSPITAL CONTRACTING FOR SERVICES UNDER THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5, THE HOSPITAL SHALL OBTAIN AND USE A UNIQUE, SEPARATE, AND DISTINCT NPI FOR:

(I) ITS MAIN CAMPUS;

(II) EACH OFF-CAMPUS LOCATION OF THE HOSPITAL; AND

(III) EACH PROVIDER TYPE, IF SPECIFIED BY THE STATE DEPARTMENT, WHEN THE HOSPITAL DELIVERS MEDICAL CARE, SERVICES, OR GOODS AT EITHER THE HOSPITAL'S MAIN CAMPUS OR AT AN OFF-CAMPUS LOCATION.

(b) A HOSPITAL SUBMITTING A CLAIM FOR PAYMENT FOR MEDICAL CARE, SERVICES, OR GOODS RENDERED UNDER THIS ARTICLE 4 OR ARTICLE 5 OR 6 OF THIS TITLE 25.5 SHALL INCLUDE ON THE CLAIM THE UNIQUE NPI THAT IDENTIFIES BOTH THE SITE WHERE THE MEDICAL CARE, SERVICES, OR GOODS WERE PROVIDED AND THE PROVIDER TYPE, AS SPECIFIED BY THE STATE DEPARTMENT, REGARDLESS OF WHETHER THE CLAIM IS FILED OR SUBMITTED BY OR THROUGH A CENTRAL OFFICE OF THE HOSPITAL OR A HEALTH CARE CLEARINGHOUSE.

(4) (a) STARTING JANUARY 1, 2020, AN ORGANIZATION HEALTH CARE PROVIDER APPLYING TO ENROLL AS A NEW PROVIDER UNDER THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5 SHALL DEMONSTRATE THAT IT HAS OBTAINED ONE OR MORE NPIS AS REQUIRED BY THIS SECTION, AND UPON ENROLLMENT, SHALL USE ITS UNIQUE NPI ON EVERY CLAIM FOR PAYMENT IN THE MANNER REQUIRED BY THIS SECTION.

(b) STARTING JANUARY 1, 2021, AN ORGANIZATION HEALTH CARE PROVIDER ENROLLED AND APPLYING FOR REVALIDATION AS A PROVIDER UNDER THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5 SHALL DEMONSTRATE THAT IT HAS OBTAINED ONE OR MORE NPIS AS REQUIRED BY THIS SECTION AS A CONDITION OF RECEIVING REVALIDATION, AND UPON RECEIVING REVALIDATION AS A PROVIDER, SHALL USE ITS UNIQUE NPI ON EVERY CLAIM FOR PAYMENT IN THE MANNER

REQUIRED BY THIS SECTION.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 25, 2018